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Preface

In the name of ALLAH, Most Gracious, Most Merciful and Muhammad S.A.W., the last prophet.

First and foremost I would like to congratulate the editorial board and authors of the *Borneo Akademika* journal on their success in producing this journal. This achievement is actually the result of their tireless effort in contributing thoughts and ideas to produce papers on current issues and challenges in multi-disciplinary research. To the best of my knowledge, efforts to produce a home-grown UiTM Sabah journal actually started ten years ago, and today we see the fruits of our labour and patience. This shows us that total commitment from the academic community is required in the journey towards academic publication so that joint research efforts can be enhanced.

This journal consists of twelve peer-reviewed articles based on current research topics of interest. Each topic is unique by way of its research methodology and findings in various related fields. The papers in this journal are useful to fellow researchers who share a similar interest in the field or those who are directly involved in exploring multi-disciplinary research. We hope that this publication can be a reference for academicians and students alike, particularly those in UiTM as well as the general public.

Finally, I would like to take this opportunity to acknowledge the dedication of our editorial board and invited/field editors who have in one way or another contributed to the successful publication of this journal. My gratitude goes out to all the authors who contributed articles to this publication because this journal would not have become a reality without them.

Thank you.

Datuk Dr. Hj. Abdul Kadir Hj. Rosline
Chief Editor

Prakata

Dengan Nama Allah Yang Maha Pemurah Lagi Maha Mengasihani. Salam dan Selawat ke atas Junjungan Besar Nabi Muhammad SAW rasul akhir zaman.

Pertamanya saya ingin mengucapkan setinggi-tinggi tahniah kepada sidang penyunting dan penulis artikel jurnal Borneo Akademika yang menyumbang tenaga dan idea dalam isu dan cabaran terkini kajian pelbagai-bidang. Penerbitan jurnal ini adalah kesinambungan usaha lampau yang kurang aktif semenjak hampir sepuluh tahun lalu. Jurnal ini menggambarkan keperluan komitmen yang jitu daripada warga akademik bagi megembang kesignifikanan usaha-usaha dalam penyelidikan.

Jurnal ini mengandungi dua belas artikel yang dinilai oleh penilai jemputan/bidang berasaskan kajian semasa. Setiap tajuk yang dibincang mempunyai keunikan tersendiri yang metodologi dan dapatannya dikupas berdasarkan bidang kajian yang dibuat. Usaha ini amat memberi manfaat kepada penyelidik-penyelidik terutamanya mereka yang terlibat secara langsung dalam kajian terkini pelbagai-bidang. Tambahan pula, kami berharap agar penerbitan ini akan menjadi sumber rujukan kepada ahli akademik dan pelajar terutamanya di UiTM dan juga kepada orang awam lain.

Akhirnya, kami ingin mengambil kesempatan untuk merakamkan setinggi-tinggi penghargaan kepada semua ahli sidang penyunting dan penyunting jemputan atas sumbangan yang merupakan satu lagi cara menyumbang kepada kejayaan penerbitan jurnal ini. Terima kasih khas ditujukan kepada semua penulis yang menyumbang artikel untuk tujuan penerbitan ini kerana tanpa sumbangan mereka penerbitan ini tidak mungkin dapat dijayakan.

Terima kasih.

Datuk Dr. Hj. Abdul Kadir Hj Rosline
Ketua Penyunting

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A REVIEW OF THE ENTREPRENEURIAL ORIENTATION CONSTRUCT IN ENTREPRENEURSHIP RESEARCH

SYLVIA NABILA AZWA AMBAD¹ & KALSOM ABDUL WAHAB²

¹*Faculty of Business Management, Universiti Teknologi MARA Cawangan Sabah, Locked Bag 71, 88997 Kota Kinabalu, Sabah, Malaysia
e-mail: nabilazwa@gmail.com*

²*Faculty of Economics and Muamalat, Islamic Science University of Malaysia, 71800 Nilai, Negeri Sembilan, Malaysia
e-mail: akalsom@usim.edu.my*

ABSTRACT

The purpose of this article is to explore the concept of entrepreneurial orientation. In order to achieve this objective, this article is organised as follows. The first section of this paper provides an overview and definition of entrepreneurial orientation; the second section deals with dimensions of entrepreneurial orientation and the last section outlines entrepreneurial orientation and firm performance. Overall, this paper argues that entrepreneurial orientation is treated as both a multidimensional and unidimensional construct. Apart from that, the most widely used measurement of entrepreneurial orientation is constructed by Miller (1983). Recent studies suggest that entrepreneurial orientation can also be captured using secondary or objective data. Although the link between entrepreneurial orientation and firm performance has remained inconsistent, there has been a significant increase in articles regarding entrepreneurial orientation and firm performance. This is due to the fact that entrepreneurial orientation is essential for a firm's growth, profitability and overall performance.

Keywords: Entrepreneurial orientation; firm performance; corporate entrepreneurship

ABSTRAK

Matlamat artikel ini ditulis adalah untuk meneroka konsep orientasi keusahawanan. Bagi mencapai matlamat ini, artikel ini ditulis dengan turutan berikut. Pertama, latar belakang dan definisi orientasi keusahawanan, kedua, dimensi asas keusahawanan, ketiga, ukuran yang digunakan dalam kajian yang lepas, dan yang terakhir adalah hubungan antara orientasi keusahawanan dan prestasi firma. Secara keseluruhan, berdasarkan kepada perbincangan kajian yang lepas, orientasi keusahawanan merupakan satu konstruk yang *multi* dimensi dan *uni* dimensi. Selain daripada itu, ukuran orientasi keusahawanan yang digunakan secara meluas telah direka pada asalnya oleh Miller (1983). Kajian terbaru juga mendapati orientasi keusahawanan boleh diukur dengan menggunakan sumber data kedua atau secara objektif. Walaupun hubungan diantara orientasi keusahawanan dan prestasi firma masih belum konsisten, kajian mengenainya terus meningkat. Ini kerana orientasi keusahawanan penting untuk pertumbuhan, keuntungan dan prestasi keseluruhan sesebuah firma.

Kata kunci: Orientasi keusahawanan, keusahawanan korporat; prestasi syarikat

1.0 Entrepreneurial Orientation Background and Definition

Entrepreneurial orientation research has existed for decades, with the entrepreneurial orientation concept having its roots in the work of Mintzberg (1973), which features the joint

factors of pro-activity and risk-taking with entrepreneurship. Khandwalla (1977) defined entrepreneurship at the firm level as a strategic choice and developed an instrument to capture the relevant characteristics. Drawing on Khandwalla's (1977) definition and prior research, Miller and Friesen (1982) further refined entrepreneurial orientation dimensions to measure relative degrees of entrepreneurship. Miller and Friesen (1983) stated that entrepreneurial firms have higher propensity towards product marketing innovation, risky ventures and proactive innovations. Most researchers credited Miller (1983) for his contribution in initiating entrepreneurial orientation activities, though he did not use the term entrepreneurial orientation in his initial writings. Based on Miller's (1983) conceptualisation, an entrepreneurial firm has three characteristics: innovativeness, proactiveness and risk taking. He distinguishes entrepreneurial firm from conservative firm by describing that "the entrepreneurial firm is one that engages in product-market innovation, undertakes somewhat risky ventures, and is first to come up with "proactive" innovations, beating competitors to the punch. A non-entrepreneurial firm is one that innovates very little, is highly risk averse, and imitates the moves of competitors instead of leading the way" (Miller, 1983, p. 771). These three dimensions of entrepreneurial orientation have been widely used in various fields such as entrepreneurship, strategic management, organisational behaviour, marketing and operations (Dess, Pinkham, & Yang, 2011).

The introduction of the conceptual foundations by Miller (1983) and Khandwalla (1977) contributed significantly towards the building of entrepreneurial orientation as a construct. In the following years, Covin and Slevin (1986, 1989, 1990) characterised entrepreneurial firms with high levels of innovativeness, risk-taking, and proactiveness based on the platform of earlier research. Covin and Slevin (1989, 1990) labeled these characteristics as the firm's strategic posture, which is utilised as the firm's general competitive orientation. Before the term entrepreneurial orientation was introduced, over the years, previous research used different labels for the entrepreneurial orientation phenomenon, for example, entrepreneurial mode (Mintzberg, 1973), entrepreneurial style (Khandwalla, 1976, 1977), strategic posture (Covin & Slevin, 1989) and entrepreneurial strategy making (Li, Zhang, & Chan, 2005). Lumpkin and Dess (1996) later introduced the concept of entrepreneurial orientation, which refers to the processes, practices, decision making styles and operating management philosophy related to the strategy of the entrepreneurial firm (Dess & Lumpkin, 2005; Lumpkin & Dess, 1996). Entrepreneurial orientation can also be defined as the firm's overall competitive orientation that can be used as the firm's strategy to compete in their industry (Jogarathnam & Tse, 2006).

The unidimensional versus multidimensional construct of entrepreneurial orientation has also been subjected to debate. Unidimensional construct means that all the indicators or items (e.g. innovativeness, proactiveness, and risk taking) in entrepreneurial orientation will be treated as one construct to represent entrepreneurial orientation. In contrast, the multidimensional construct means that all the indicators of entrepreneurial orientation will be regarded as independent constructs. In earlier research on entrepreneurial orientation, Miller (1983) and Covin and Slevin (1989) conceptualised entrepreneurial orientations as either a unidimensional or composite construct. They argued that each of the dimensions is highly correlated (Rauch, Wiklund, Lumpkin, & Frese, 2009), meaning that innovativeness, proactiveness and risk taking are manifested by the firm simultaneously. The weakness of this unidimensional construct is that it neglects the individual influences by each dimension and assumes that all dimensions have similar effects on firm performance (Hughes & Morgan, 2007; Lumpkin & Dess, 2001; Wang & Yen, 2012). Whether the unidimensional or multidimensional construct was employed does not pose a problem or point of disagreement as one is not necessarily superior to the other. The choice is highly dependent on the objective

of the study. However, for the firm to be highly entrepreneurial, it should score on all three dimensions (Covin, Green, & Slevin, 2006).

In contrast, according to Lumpkin and Dess (1996), not all of the dimensions of entrepreneurial orientation would have direct or positive effects on firm performance under different circumstances. It is believed that firms can vary in degree of innovativeness, proactiveness, and risk taking as they may not be equally entrepreneurial across all the three dimensions. However, it is recommended that all dimensions should be positively correlated (Lumpkin & Dess, 2001). The meta-analysis by Rauch, Wiklund, Freese and Lumpkin (2004) supported the suggestion by Lumpkin and Dess that the sub-dimensions of entrepreneurial orientation vary independently with performance. Therefore, it is necessary to assess the relative impact of each dimension of entrepreneurial orientation (Kraus, Rigtering, Hughes, & Hosman, 2012; Monsen & Boss, 2009). In order to enhance a firm's performance, these dimensions often work together (Dess & Lumpkin, 2005). However, even if only some dimensions of entrepreneurial orientation exist within a firm, the organisation can still be very successful (Lumpkin & Dess, 2001). Despite the caution advocated by Lumpkin and Dess (1996), a majority of prior literature have utilised combined dimensions of entrepreneurial orientation. For instance, in the meta-analysis conducted by Rauch et al. (2009), only 25% (13 out of 51) of the articles included in the analysis used multidimensional entrepreneurial orientation dimensions, whereby each of the entrepreneurial orientation dimensions was measured separately.

Research on entrepreneurial orientation has increased rapidly in many fields, reflecting attempts to fill the gap in the literature in the context of firm-level entrepreneurship. Consequently, the overwhelming researches on entrepreneurial orientation have led to the recognition of entrepreneurial orientation as a major construct in the field of strategic management and entrepreneurship literature (Gupta & Batra, 2015). There are at least three reasons stated by Covin and Lumpkin (2011) why entrepreneurial orientation is given much attention by researchers. First, entrepreneurial orientation is most appropriate in explaining the characteristics of an entrepreneurial firm at the most fundamental level (Covin & Lumpkin, 2011) with researchers agreeing that the construct theoretically captures the relevant (Miller, 1983) and requisite (Lumpkin & Dess, 1996) characteristics of entrepreneurial firms. Notably, evolutionary theorists and strategic management scholars recognise the importance of entrepreneurial orientation as the overall strategic posture that is essential to sustain a firm's viability. In an era where product life cycles are ever decreasing, industry boundaries are continuously morphing and competitive advantages are characteristically unsustainable, entrepreneurial orientation has proven to be a useful construct for the purposes of understanding why and how some firms are able to regularly renew themselves via new growth trajectories while others are not (Covin & Lumpkin, 2011, p. 862). The second reason why entrepreneurial orientation fills the gap in the literature on firm level entrepreneurship is because it is a continuous variable or set of variables that is represented by a multidimensional construct that can be plotted by all firms. These dimensions are common and have universal characteristics that can be possessed by other firms. Thirdly, since entrepreneurial orientation is the practice of entrepreneurial firms, it makes it easier to assess the level of the entrepreneurship in a particular firm.

2.0 The Dimension of Entrepreneurial Orientation

The dimensions of entrepreneurial orientation have been derived from both the strategy-making process and entrepreneurship literatures (Dess & Lumpkin, 2005). Lumpkin and Dess (2001, p. 431) defined the individual dimensions of entrepreneurial orientation as, first, innovativeness, which refers to a willingness to support creativity and experimentation in

introducing new products or services besides novelty, technological leadership, and R&D in developing new processes. Second, is risk taking which refers to a tendency to take bold actions such as venturing into unknown new markets, committing a large portion of resources to ventures with uncertain outcomes, and/or borrowing heavily. Lastly, proactiveness which refers to an opportunity-seeking, forward-looking perspective involving introducing new products or services ahead of the competition and acting in anticipation of future demand to create change and shape the environment.

Chen and Hambrick (1995) later pointed out that entrepreneurial firms should have the characteristics of competitive aggressiveness. This is agreed by Lumpkin and Dess (1996), who formally added two additional dimensions; autonomy and competitive aggressiveness. Competitive aggressiveness reflects the firm's efforts to outperform industry rivals through combative posture or aggressive and forceful response in order to improve the firm's position or conquering rivals threat in a competitive marketplace. On the other hand, autonomy refers to the entrepreneurial efforts of an individual or a team to bring forth a business concept or vision and carrying it through completion. The literature shows that these dimensions permeate the decision making styles and practices of a firm's members. However, the majority of the entrepreneurial orientation studies only focused on the three dimensions (George & Marino, 2011; Morris & Sexton, 1996; Soininen et al., 2011).

The most popular dimensions of entrepreneurial orientation are innovativeness, proactiveness and risk taking. Another two dimensions of entrepreneurial orientation which are autonomy and competitive aggressiveness are also used in prior research. Other researchers (e.g. Smart & Conant, 1994; Tan & Tan, 2005) developed their own instrumentation and its dimensions to measure the level of entrepreneurial in a firm. They added other variables such as analysis, defensiveness, strategic planning activities, customer needs and want identification, vision to reality and identifying opportunities.

3.0 The Measurement of Entrepreneurial Orientation

The entrepreneurial orientation scale was initially developed by Khandwalla (1977), Miller and Friesen (1982) and Miller (1983). Most researchers credited Miller for the development of entrepreneurial orientation measurement. Miller's idea was derived from the work of Khandwalla (1977), Mintzberg (1973), Collins and Moore (1970), Normann (1971), Shapero (1975) and others. With regard to the entrepreneurial orientation scale, Miller and Friesen (1982) were concerned about three aspects which include product-market innovation, proactiveness and risk taking. Product-market innovation measures whether a firm is innovative in terms of the numbers and novelty of the new products and services, and the new markets it enters. Proactiveness measures whether the firm is a leader or follower, whether it is the first to introduce new products, technologies, administrative or techniques. Risk-taking measures whether the firm is a risk taker or not and whether it has risky resource commitments (Miller & Friesen, 1982). This scale was widely used by numerous researchers and scholars such as Zahra and Covin (1995), Wiklund and Sheperd (2005), Moreno and Casillas (2008), and Rauch et al. (2009). Covin and Slevin (1989; 1990) further refined the scale and it was further advanced by Lumpkin (1998) with the addition of five new items to the earlier scales. The reason for extending these scales was to capture aspects of the constructs that were not included in the previous scales. For example, prior scales did not include the process of innovation. Thus, two items in innovativeness were included; the firm's preference to design its own unique process and methods and its favour of experimentation and approaches to problem solving. With regard to proactiveness, one item was added to measure whether the firm has a strong tendency to be the first in introducing novel ideas or

products. Lastly, for risk taking, two items were added: organisational analysis and decision making processes.

Until recently, numerous authors used different number of items to capture entrepreneurial orientation. The number of items used to tap the three entrepreneurial orientation dimensions varies from six to fourteen. Some researchers used the original semantic differential statements response format initiated by Covin and Slevin (1989) while the rest used the converted Likert scale.

There are some researchers, who developed their own entrepreneurial orientation scales such as Smart and Conant (1994), and Hughes and Morgan (2007). However, these scales are seldom used by other researchers. Most researchers use the ones developed by Covin and Slevin (1989), Miller (1983) and Lumpkin (1996; 1998).

Recently, researchers found that entrepreneurial orientation can also be captured using secondary data. This is particularly suitable for large public firms that generate publicly accessible data. Among those researchers who used the objective indicators of entrepreneurial orientation include Miller and Breton-Miller (2011), Mousa and Wales (2012) and Zahra and Garvis (2000). The indicators used to measure innovativeness are the research and development cost or R & D (Miller & Breton-Miller, 2011; Zahra & Garvis, 2000), patents (Lee & O'Neill, 2003) and number of total products (Mousa & Wales, 2012). Firms that invest more abundantly than their competitors in product and process research and development, is, broadly defined, and tend to be more innovative (Miller & Breton-Miller, 2011, p. 1061). Thus, Miller and Breton-Miller (2011) used R & D to sales ratio to capture the innovativeness of the firm. However, a limitation of the R & D measure is that it does not incorporate innovations reflected by expenditures on new forms of organisation, training programs, market research, or for mines prospecting, which is a routine function. Thus, these activities could not be assessed. Moreover, where R&D is so minimal as to be "not material to decision making," there is no statutory requirement to report it. Thus, while firms that do not report R&D are assumed to have a very low level of expenditure, they cannot be assumed strictly to have zero level expenditure (Miller & Breton-Miller, 2011, p. 1064). However, in Malaysia, the R & D investments by the enterprises have been significantly lower than their counterparts from developed countries. For instance, the business expenditure on R&D per capita in Malaysia in 2003 was merely \$US18.06 compared to Sweden (\$US815.83), Japan (\$US725.22), the USA (\$US673.81), Singapore (\$US285.43), South Korea (\$US254.18) and Taiwan (\$US193.43) (Aniza, Nair, & Kasipillai, 2008).

For proactiveness, the objective measure used was a company's advertising (Zahra & Garvis, 2000) and the short term aggregate investment practices of the firm, using the percentage of profits reinvested in the company each year compared to rivals in the same industry (Miller & Breton-Miller, 2011, p. 1064). Risk-taking is measured by using the fluctuations that a firm experiences in its market valuation *vis-à-vis* other firms in its industry (Miller & Breton-Miller, 2011) and the number of risks declared in the prospectus (Mousa & Wales, 2012).

4.0 Entrepreneurial Orientation and Firm Performance

The relationship between entrepreneurial orientation and firm performance has received huge attention in the literature in various fields due to its influence on firm performance. Even though the researchers agreed that entrepreneurial orientation is part of corporate entrepreneurship, it is attracting more attention compared to corporate entrepreneurship itself (Covin & Lumpkin, 2011). There has been a significant increase in articles regarding entrepreneurial orientation and firm performance because it is believed that entrepreneurial orientation is essential for a firm's growth (Antoncic & Scarlett, 2008; Covin et al., 2006;

Soininen et al., 2011), profitability (Antoncic, 2007; Lumpkin & Dess, 2001) and overall performance (Jantunen et al., 2005; Keh, Nguyen, & Ng, 2007; Tajeddini, 2010). This is supported by the results of recent meta-analysis suggesting that entrepreneurial orientation is indeed a significant predictor of firm performance (Rauch et al., 2009). The past results also show that the entrepreneurial orientation-firm performance relationship is not only sustainable in the short term but this relationship also increases over a long term period (Wiklund, 1999; Zahra & Covin, 1995). This is due to the investments in entrepreneurial orientation that may be worthwhile for the firm not only in the short term but in the subsequent years (Wiklund, 1999). However, the link between entrepreneurial orientation and firm performance has remained inconsistent (Karacaoglu, Bayraktaroglu, & San, 2013; Lumpkin & Dess, 1996) and a lot of questions remained unsolved (Moreno & Casillas, 2008).

The inconsistent results in entrepreneurial-performance relationship may be due to the different indicators used to assess performance (Lumpkin & Dess, 1996). Another reason for this is the cultural diversity across countries (Thomas & Mueller, 2000). Nevertheless, it is expected that all the dimensions of entrepreneurial orientation have positive relationships with firm performance (Lumpkin & Dess, 1996). First, the different indicators used to assess firm performance means, for example, some empirical researches used the combination of financial measure such as profitability and growth (e.g. Hameed & Ali, 2011; Keh et al., 2007; Kraus et al., 2012) and non-financial measure such as the public image and market share (e.g. Gilbert & Reid, 2009; Tajeddini, 2010). There are also researches that used multidimensional construct of firm performance, such as growth and profitability (e.g. Antoncic & Scarlet, 2008; Lumpkin & Dess, 2001; Moreno & Casillas, 2008; Soinen, Martikainen, Puumalainen, & Kylaheiko, 2011). These variations would therefore produce different results. The underlying explanation of this is, the entrepreneurial orientation may influence the firm performance differently (Zahra & Garvis, 2000). For example, the entrepreneurial orientation may be positively related to firm growth but negatively related or has no relationship to firm profitability (e.g. Antoncic, 2007; Soinen et al., 2011).

Second, the cultural diversity across countries also influences the findings of the entrepreneurial orientation-performance relationship. For example, the study conducted in the US and Slovenia found that, the entrepreneurial orientation has a strong influence in both profitability and growth among the Slovenian firms. On the other hand, in the US, the entrepreneurial orientation only has a positive effect on firm growth (Antoncic, 2007). The differences in the business environment in each country bring about different effects in entrepreneurial orientation research. Studies also found that the national culture from which a firm originates moderated the relationship between entrepreneurial orientation and the growth of the firm (Marino, Strandholm, Steensma, & Weaver, 2002). Additionally, the differences across countries will also affect the entrepreneurial orientation among the firms (Tan, 2002). This is supported by the annual survey conducted in more than 50 countries by The Global Entrepreneurship Monitor which reported that entrepreneurial activities vary across nations (Bosma & Levie, 2010). Apart from cultural and national influences, the country's population also affects the perception of entrepreneurial orientation. For example, the United States and Ireland are highly favourable in terms of entrepreneurial orientation while Hungary and Japan are less favourable (Bosma & Levie, 2010). Thus, there is a need to conduct an empirical research on entrepreneurial orientation-firm performance in the Malaysian setting.

Most of the researches on entrepreneurial orientation were conducted in developed countries like the US, and the European Union. The business environments and management style for developed and developing countries are fundamentally different and thus, it is important to conduct research in this area (Karacaoglu et al., 2013). According to Rauch et al. (2009) in their meta-analysis, the entrepreneurial orientation construct is "robust" in Asia and therefore more institutional work needs to be done.

Although there has been a debate on the consistency of the entrepreneurial orientation-performance relationship, there is a consensus among researchers that the entrepreneurial orientation is vital in a firm if they intend to adopt successful corporate entrepreneurship (Dess & Lumpkin, 2005). The importance of entrepreneurial activities to stimulate superior firm performance and the key element of competitive advantage has been recognised by the popular press and scholarly literature (Lumpkin & Dess 2001). Besides, entrepreneurial orientation promotes initiatives that require the involvement of all management levels in the formulation and implementation of entrepreneurial strategies (Richard, Barnett, Dwyer, & Chadwick, 2004). Previous researchers have identified that highly entrepreneurial firms will lead to successful businesses (Keh et al., 2007; Li et al., 2009; Tajeddini, 2010; Zahra & Covin, 1995). Additionally, firms that have higher entrepreneurial orientation tend to perform better than firms with more conservative management (Rauch et al., 2009). Furthermore, long-term competitiveness will be achieved if the firm strengthens its entrepreneurial orientation (Hitt, Ireland, Camp, & Sexton, 2002). Entrepreneurial orientation is not only essential in start-up firms but also within established firms regardless of their size and age (Kraus, Kauranen, & Reschke, 2011).

The study in emerging countries as in China's ventures found that the relationship between entrepreneurial orientation and firm performance was represented as a curvilinear or inverted U-shape relationship (Tang, Tang, Marino, Zhang, & Li, 2008). Tang et al. (2008) conducted two different studies using both perceptual and objective measures of firm performance and concluded that in emerging economies, the increase in entrepreneurial orientation does not always add to the firm's capability to perform well. In other words, the best firm performance occurs at an intermediate level of entrepreneurial orientation.

In Malaysia, the majority of researches on entrepreneurial orientation focus on the Small Medium Enterprises (SMEs). Most of the results found a positive effect of entrepreneurial orientation on firm performance. For example, Poon et al. (2006) found that there was a positive relationship between SMEs' entrepreneurial orientation and firm performance. Another study involving 162 SMEs in Klang Valley also found similar results (Fakhrol & Ayadurai, 2011). Other studies conducted among the SMEs in Malaysia support this finding (Amran et al., 2009; Rosli & Norshafizah, 2013). In a similar vein, Mohamed and Hassan (2007) and Sylvia and Kalsom (2013) who conducted study among the companies listed in Bursa Malaysia also found that the entrepreneurial orientation of the firms have positive on firm performance.

As mentioned earlier, entrepreneurial orientation affects firm performance in all aspects such as profitability (e.g. Return on Assets, Return on Equity, and Net Profit Margin) and growth (e.g. Sales Growth). First, the example of previous researches that found positive effect of entrepreneurial orientation and firm's profitability are discussed. The study among the non-oil sectors in Nigeria, found that entrepreneurial orientation influence the firm's profitability (Ezirim, & Nwokah, 2009). The empirical cross-cultural study also found that the entrepreneurial orientation of the small firms in the US and Netherlands shows positive effect on profitability (Kemelgor, 2012). Other cross-cultural studies found that all three dimensions of entrepreneurial orientation were positively related to firm's profitability (Engelen, Gupta, Strenger, & Brettel, 2015; Kreiser, Marino, & Weaver, 2002). The profitability of the Korean micro and small firms was also higher when the firms increased its innovativeness, proactiveness and risk taking (Yoo, 2001). Similarly, recent study among the public listed companies in Istanbul, Turkey also found that innovativeness, proactiveness and risk taking were positively related to financial performance (Karacaoglu et al., 2013). In addition, Gupta & Batra (2015) found that the entrepreneurial orientation of the small and large firms in India was positively related to firm's profitability.

Second, the entrepreneurial orientation also has a positive effect on firm growth. This is found in the previous researches such as the study conducted among the Spanish small firms (Moreno & Casillas, 2008), SMEs in north-east China (Zhang & Zhang, 2012), US micro, small and large firms (Covin et al., 2006), Slovenian large manufacturing firms (Antoncic & Hisrich, 2003) and Finnish small private limited companies (Soininen et al., 2011). Soininen et al. (2011) found that the entrepreneurial orientation was positively related to firm growth but has no relationship with firm profitability. However there are studies that found that entrepreneurial orientation was positively related to both firm growth and profitability such as the study among large and small Romanian and Slovenian firms (Antoncic & Scarlett, 2008) and small to large firm in the US (Zahra & Garvis, 2000).

5.0 Conclusion and Recommendations

The concept of entrepreneurial orientation has been a topic of scholarly discussion within the strategic management field for decades. Although there has been a debate on the consistency of the entrepreneurial orientation-performance relationship, entrepreneurial orientation is still vital in stimulating superior firm performance and the key element of a firm's competitive advantage (Gupta & Batra, 2005; Lumpkin & Dess, 2001). As such, it is hoped that this article can provide some insights on entrepreneurial orientation construct and be used as a guideline for future studies. Since most of the research on entrepreneurial orientation-performance in Malaysia focus on SMEs, it is hoped that future studies involving larger firms can be conducted. This will potentially enhance the understanding of entrepreneurial orientation and build up its theoretical base.

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